



ESSEX COUNTY IN THE PARK
INDUSTRIAL DEVELOPMENT AGENCY

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**Essex County IDA Board Meeting
July 28, 2020 at 9:00 AM
7566 Court Street, Elizabethtown, NY**

Present: Darren Darrah (via conference call until 11:06AM)
John Boyea
Jamie Rogers (via conference call until 11:06AM)
James Bowen
Matthew Courtright
James Monty
Roy Holzer

Also Present: Jody Olcott
Carol Calabrese

Open of Meeting

Vice-Chairman James Bowen opened the meeting at 9:00AM.

Approval of Minutes

1. June 23, 2020 Meeting Minutes

Motion #2020-83: A motion to approve the June 23, 2020 meeting minutes was made by James Monty and seconded by Matthew Courtright. Roy Holzer abstain. Motion passes.

Financial Services/Program

1. ADK Gateway (North Hudson) – Muhammad Ahmad presentation lasted from 9:30AM to 10:15AM. The presentation included a PowerPoint on computer screen and hand-outs which detailed use of building to include: 1. shopping (outdoor gear & supply store, potential visitor center; 2. food (ice cream shop & Subway) and; 3. fun (rentals, farmers market, outdoor events, etc.). Muhammad has secured Subway franchise (15 years). Phase 2 includes guided services, possible outfitters and local product promotion & sales, and also a large convention/event space. The property includes 50 acres which connects to DEC campground and Paradox Brewery. Muhammad would like to work with DEC in future as river access from property is important and residents and visitors are utilizing river access now which is now available at the DEC Frontier Town campground. Muhammad's has applied for funding through DANC in the amount of \$320,000 (\$160,000 grant & \$160,000 loan) and DANC's original approval has been rescinded and project can reapply once other funding sources have been secured. Muhammad's previous approval from the IDA was also rescinded due to failure to disclose personal debt on his personal financial statements. Muhammad noted his owner equity in the project to date is \$225,000 (\$75,000 property and \$150,000 renovations). Muhammad distributed photos of current

renovation project. Also discussed was the additional debt secured for all of Muhammad's four corporations (\$535,800 to date):

- a. Ramzan Realty - \$59,000 EIDL loan with a blanket lien on business assets
- b. Aleeze Enterprises - \$150,000 EIDL Halloween loan with secured mortgage, \$111,200 EIDL COVID loan with a blanket lien on business assets, and a \$17,600 PPP loan
- c. Zoni Enterprises - \$150,000 EIDL COVID Loan with a blanket lien on business assets and a \$39,000 PPP Loan

The loan underwriting does not include any additional debt (previous/existing) loans for any of the businesses. Underwriting only includes new debt through SBA programs. Muhammad noted that ADK Gateway property (50 acres) appraised for \$800,000 a few years ago and he anticipates after construction completion, the appraised value will be over \$1 million. There is an existing mortgage on property from the previous owner in the amount of \$330,000. Muhammad noted the requested IDA funds in the amount of \$250,000 will be used to pay down existing mortgage on property, but not eliminate the first lien/mortgage on property as there will still be existing balance due to previous owner of approx. \$80,000. If approved the IDA would have a second lien/mortgage and also a second lien position on all business assets of ADK Gateway behind the SBA lien filed for the \$59,000 EIDL loan. The IDA Board agreed that this project is a key for the North Hudson area but is concerned that nondisclosure of previous personal debt is still a significant issue and lack of collateral for potential loan without first lien/mortgage on property. IDA's previous approval of loan included guarantees by Muhammad Ahmad, Aleeze Enterprises and Zoni Enterprises but now since the additional debt through the SBA programs, those guarantees are not secured.

Motion #2020-84: A motion to decline loan request in the amount of \$250,000 to ADK Gateway (Muhammad Ahmad) because of adverse financial position and failure to provide first lien/mortgage on property as collateral was made by Darren Darrah and seconded by John Boyea. All members were in favor.

2. Monthly Loan Report – July 27th report was distributed to the Board. Of the IDA recipients, Witherbee Carriage House (Schroon Lake) has opted to not open at this time due to COVID but business continues to make payments.
3. COVID-19 Emergency Loan Program – 9 out of 10 businesses have closed loans with 6 month deferral of payments. Last remaining business is expected to close this week.

Business Park Development

1. Moriah Business Park
 - a. Lot #4 Building (High Peaks Hospice) – No issues to report on building
 - b. Lot #3, #5, #6 & #8 (Whistlepig) – Construction is underway on building #8
 - c. New Property Expansion – Awaiting clarification on NW corner location. AES Northeast is working with Holcombe Abstracts to review previous deed descriptions.

Business Development Updates

1. Marketing Report – July 21, 2020 report was sent in board packages and included a summary of newsletters sent to Essex County businesses highlighting COVID financing available, program assistance, guidelines, etc.

2. Grant Administration

- a. Ti Microenterprise Grant Program – 6 businesses were awarded funding with grant agreements signed. 2 businesses have begun to draw down funds.
- b. Adirondack Foundation COVID Grant – 7 businesses were awarded grant funding and 6 businesses have provided documentation of use of funds.

Financials

1. June Financial Statements – No Comments

New Business

1. July Abstract for Payment

Motion #2020-85: A motion to approve the July Abstract for Payment was made by James Bowen and seconded by Matthew Courtright. All members were in favor.

2. Next Meeting – Tuesday, August 25, 2020 at 9:00AM.

Adjourn

Motion #2020-86: A motion to adjourn the meeting at 11:08AM was made by Roy Holzer and seconded by James Bowen. All members were in favor.